

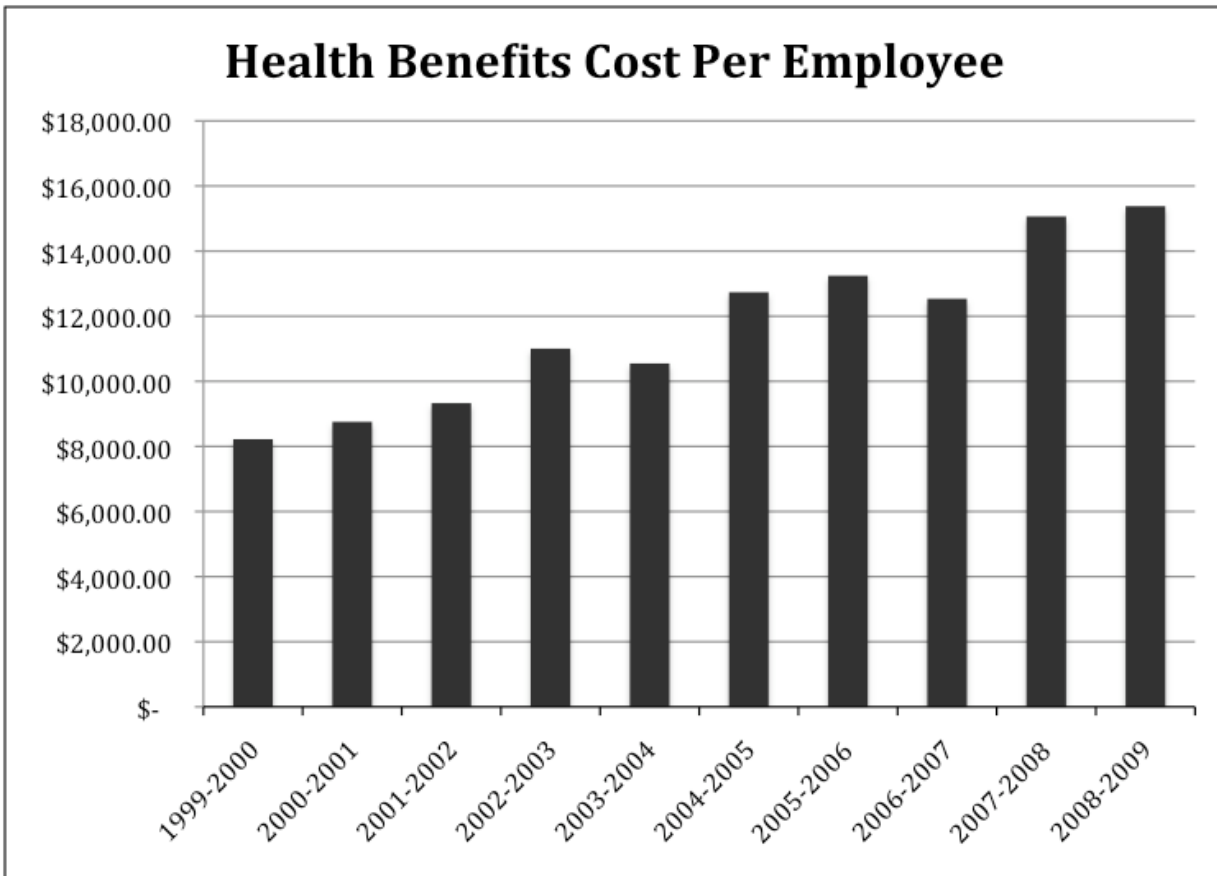


NEGOTIATIONS UPDATE



January 26, 2010

2009-2010 Negotiations



The graph above illustrates the increased costs of health benefits to the District over the last ten years. Over this time, the per-employee cost has almost doubled. The employee contribution has not changed significantly over this same period, representing a large decrease in the percentage that employees contribute toward health benefits. This is the prominent reason the Association has agreed to increase the employees' share of the costs, and implement some cost-containment measures to keep the plan fiscally viable.

Increased cost sharing can take many forms. It can be increased monthly contributions, increased office visit co-pay, increased costs for pharmaceutical drugs, implementation of a deductible, and implementation of a health benefits cap, among others. All options are currently on the table and being examined by both sides to measure the possible impact to the employee and to the health benefits plan. The District is insisting on a deductible or a cap. Also key is the possibility of cost-containment measures that will not have ill effects in the future. The GGEA Negotiations Team is also considering the

NEGOTIATIONS UPDATE (cont.)

permanent nature of these changes versus the temporary (albeit a long temporary) nature of our current financial crisis. Currently our health benefits are one of the best in the county and state, especially when considering our options and actual employee costs. The GGEA Negotiations Team is pushing to maintain a competitive health benefits plan for our current employees, and to remain competitive in attracting the best teachers.

Half-Day Substitutes

Half-day substitutes is an Association proposal and has been for the last few years. Unfortunately, this will not become a reality. Nobody doubts the benefits that half-day substitutes would provide. Members would be able to use their sick days more effectively and the teacher contact time with the students would be increased.

The District surveyed the current substitutes to determine the amount of substitutes that would consider working for half a day. Fewer than **2%** of all the substitutes that responded stated they would be willing to substitute for only half a day. With this data, it is hard to advocate for this option when the District would have severe difficulty in providing them. Also, some other districts that do have half-day substitutes pay more than a half-day's pay to increase the supply. Implementation would be a very unwise choice in light of the current financial crisis, as it would increase our overall substitute costs. Finally, as public school funding is restored, the number of substitutes will be decreasing as districts hire back teachers. This will have a compounding effect of further diminishing the substitute pool, and therefore, the number of potential half-day substitutes.

In light of this data, the Negotiations Team has deemed it best to remove this proposal from the table. On that same topic, principals should be willing to help "cover" classrooms when appropriate for the same reasons mentioned above. More time with a certificated teacher in the classroom is better for our students, and we should work together toward this end.

Governor's Proposed Budget

In his State of the State address, Governor Schwarzenegger vowed to protect Public Education from any further cuts. This coming after we endured about 60% of the cuts last year, despite only being about 40% of the total budget. Thus far, the proposed budget looks like a mixed bag. Further, deeper cuts were a distinct possibility that were not realized. Yet, "temporary" cuts for the 2009-2010 school year are being carried over. Plus, our funding will be reduced further because of a negative COLA. We also might be facing mid-year cuts as the budget deficit widens. We will keep you informed as more details and new developments come.

“Protect, Mitigate, and Restore”